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U.S DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION

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PUBLIC LISTENING SESSION

- - -

Friday, February 27, 2004

1:04 P.M. to 2:23 P.M.

- - -

LOCATION:
700 Army Navy Drive
Auditorium
ARLINGTON, VIRGINIA

1 PANEL MEMBERS:

2

3 GREG MOXNESS

4 Chief Economist

5 Transportation Safety Administration

6

7 LINDA VALENCIA

8 Transportation Aviation Operations

9 Transportation Safety Administration

10

11 CHRISTINE BEYER

12 Office of Chief Counsel

13 Transportation Safety Administration

14

15 DAVID CANN

16 Manager

17 Aircraft Maintenance Division

18 Federal Aviation Administration

19 Flight Standards Service

20

21

22

1 STAFF ALSO PRESENT:

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3 PAMELA HAMILTON

4 Transportation Security Administration

5

6 ROGER W. SHOEMAKER

7 Program Analyst

8 Office of Transportation Security

9 Policy

10 Office of Stakeholder and Industry

11 Affairs

12 Transportation Security Administration

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1 P R O C E E D I N G S

2 MS. HAMILTON: Good afternoon I am
3 Pamela Hamilton. Welcome to our public listening session
4 on aircraft repair station security.

5 Let me start out by apologizing for the late
6 notice of this meeting. Unfortunately, it took a little
7 longer to get the Notice coordinated and published in "The
8 Federal Register" than we had expected.

9 We did make a concerted effort to reach out to
10 organizations that we knew had an interest in this topic
11 and to spread the word widely; however, as noted in the
12 meeting announcement, we welcome your written comments
13 until March 29.

14 Please allow me to introduce the other panel
15 members sitting at the table. Starting from the far left,
16 we have: Greg Moxness, our chief economist;
17 Linda Valencia, representing TSA Aviation Operations;
18 Christine Beyer, representing our Office of Chief Council;
19 and Dave Cann, manager of the Aircraft Maintenance
20 Division of the FAA's Flight Standards Service.
21 Additionally, a number of other TSA staff members who will
22 be involved in this rulemaking effort are seated

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1 throughout the auditorium and will be listening
2 attentively to your comments.

3 Let me provide some context for today's public
4 meeting by reminding all of you that on December 12, 2003,
5 the President signed into law "Vision 100: The Century of
6 Aviation Reauthorization Act." Section 611 of the Act
7 requires TSA to "Issue final regulations to ensure the
8 security of foreign and domestic aircraft repair stations"
9 within 240 days, that is, by August 8, 2004.

10 This is the first phase of our work. There are
11 approximately 650 foreign repair stations that are
12 certified by the Federal Aviation Administration to repair
13 aircraft that are U.S. registered in approximately 4,500
14 domestic repair facilities.

15 These repair stations vary greatly in size, type
16 of repair completed, workforce and location. There are
17 small shops in industrial parks that may repair aircraft
18 radios and there are large stations that complete major
19 aircraft overhauls.

20 Because the station characteristics vary so
21 greatly, TSA believes the corresponding security threat
22 and existing security measures also vary widely. That is

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1 why we have invited you here today to help educate us so
2 that we better understand your industry before we begin
3 our drafting work.

4 In addition to the seven questions posed in the
5 public meeting notice, we would be interested to know
6 whether you have any employee security awareness training,
7 and if so, what is included in that training.

8 After the public meeting and after reviewing
9 your comments, TSA will prepare a notice of proposed
10 rulemaking on aircraft repair station security that will
11 be published in "The Federal Register." We will then
12 provide appropriate opportunity for public comment before
13 issuing a final rule.

14 Once the final rule has been issued, TSA is
15 required to "Complete a security review and audit of
16 foreign repair stations that are certified by the
17 administrator under Part 145 of Title XIV, Code of Federal
18 Regulations, and that work on air carrier aircraft and
19 components."

20 These audits must be completed not later than 18
21 months after the final rule is issued. If they are not,
22 then the FAA administrator is barred from certifying any

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1 foreign repair station until such audits are completed for
2 existing stations.

3 We have a total of 13 individuals who have
4 requested an opportunity to present an oral statement at
5 this afternoon's meeting. We have sufficient time
6 reserved to accommodate all speakers, but we do ask that
7 each of you limit your remarks to no more than 10 minutes.
8 We will plan to take a 10-minute break at 2:30 and to
9 conclude this meeting at 4:00.

10 We have requested that each speaker submit a
11 written version of the oral remarks and supporting
12 documentation for any of the conclusions reached. These
13 documents will be posted to the docket for review as well
14 as a transcript of today's proceedings.

15 We do have a court reporter who is transcribing
16 the minutes of this meeting, so I would ask that all
17 speakers speak clearly into the microphone and provide
18 your names before you begin speaking. Thank you all for
19 joining us here today to share your views on air craft
20 repair station security.

21 Our first speaker this afternoon will be
22 Bob Robeson of the Aerospace Industries Association.

23

1 Bob?

2 AEROSPACE INDUSTRIES ASSOCIATION

3 MR. ROBESON: Well, thank you for that
4 introduction. As she said, I am Bob Robeson with the
5 Aerospace Industries Association. We represent the
6 nation's manufacturers of aerospace products.

7 As part of that business base, most of our
8 companies which are active in the civil aviation part of
9 the business also have repair and overhaul facilities both
10 in the United States and abroad.

11 What we will probably be doing is submitting for
12 the record a separate set of comments before the deadline
13 at the end of this month. I will just be talking off of
14 some overheads that we have prepared for this session, so
15 it will be a little bit informal, but I think it is fairly
16 clear where our issues are.

17 We don't propose to answer in this forum the
18 questions that are posed in the Notice of this meeting,
19 and the reason for that is we believe that there are some
20 questions that are posed in that Notice which are better
21 discussed privately.

22 For example, if you are asking us are there
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1 security holes in the system we identify, I don't think we
2 want that on the public record to tell people where to go
3 to start figuring out how to get through the system. We
4 would be pleased to come in and talk with you at some
5 point and answer those questions directly.

6 Let's start out by saying that we were quite
7 active in commenting on the drafts of the FAA
8 Reauthorization Act, and we were talking with staff up on
9 the Hill about some concerns about the original drafts.
10 Some of those concerns were addressed, some of those
11 concerns remain, and that is what I am going to talk about
12 today.

13 Of course, the overarching concern for us is
14 that the system does have to be a secure system, so we
15 support the efforts of the Transportation Security
16 Administration to work with the industry.

17 We are pleased that there is a meeting of this
18 kind to get this effort of yours underway, because you are
19 facing a huge effort. To review 650 stations, is going to
20 take some doing.

21 What we are looking for is to talk with you
22 about the process of how you can do that. I think that is
23

1 where we can offer some help on the kinds of concerns that
2 you will have to be looking at as you go forward with that
3 effort.

4 We think that there are issues here which are
5 both of concern to TSA as well as FAA. We are pleased to
6 see Dave Cann here from Flight Standards representing FAA.
7 We think it is important that TSA and FAA talk about these
8 issues directly.

9 Our most fundamental concern is the timeline
10 with which you are confronted. To go from the passage of
11 the Act, to the issuance of the regulations, to the
12 completion of the audits in the timeframe that is
13 specified in the Act is challenging indeed.

14 We are now some two months and counting past the
15 initial date that you are confronted with, which was
16 December 12. We are heading toward a period of having to
17 have some final rules out.

18 Now, even if you get those rules out on the date
19 that is mandated in the Act, and I note that there is some
20 provision and says if you don't get them out you can come
21 back and explain why that is and what your new timeframe
22 is, I would propose to you that is probably not going to

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1 be an unrealistic thing for you to consider.

2 Let's just assume for the sake of argument for a
3 moment that you do manage to get the regulations published
4 in the timeframe that is required, that gives you 240 days
5 to go ahead and complete those audits.

6 The question is, When you are talking about a
7 repair station that now has to host you and go through an
8 audit to address these security questions, how much time
9 will they have had to even know what it is that concerns
10 the agency?

11 If you start doing your audits the day after the
12 rules become final, I think you are going to find that
13 there are going to be stations which have not had time to
14 prepare adequately because they have just found out what
15 the regulations say.

16 I am assuming that there is probably going to
17 have to be some advisory material as well to explain to
18 folks how they want to comply with the requirements.

19 We are very, very concerned about the timelines
20 involved here, and how you are going to meet those
21 timelines and where you are going to find the workforce
22 that you need to have the requisite expertise in order to

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1 carry out those audits effectively.

2 From the point of view of my membership, we have
3 one question which we do think is going to need to be
4 addressed in the regs, and I will just touch on that, and
5 that is a definition of existing repair stations.

6 As repair stations are bought and sold from one
7 company to another and ownership changes, in our minds
8 there is an open question as to whether the TSA would
9 consider that to be a new station.

10 Our position is that a change of ownership does
11 not constitute a new station. The importance of course is
12 if you have just completed an audit and then there is a
13 transfer of ownership, do you have to go back and do
14 another audit on that station?

15 Another element that we believe needs to be
16 addressed, and we had talked about this up on the Hill and
17 there is a provision for it in the statute, is an appeal
18 process.

19 That appeal process really has to cover more
20 than just is there an immediate security risk and we are
21 going to take it right now pending review. You really
22 need an appeal process that covers all of the phases of

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1 the audit program such that if someone has a problem with
2 one of your findings there is a method to address that in
3 an orderly fashion.

4 We believe that there needs to be a
5 clarification in the rule or the advisory material as to
6 what constitutes an immediate threat, and there needs to
7 be a definition of what constitutes a failure to carry out
8 effective security measures.

9 That is, when you find a deficiency there is a
10 window for a station to bring its program into compliance.
11 However, there needs to be some definition behind that so
12 they know what they have to do and whether there is some
13 way as a station is bringing its program into compliance,
14 does it mean that you have to be finished in 90 days or
15 that the program is underway and is acceptable in
16 addressing the concerns identified by TSA within some
17 timeframe that is acceptable to the Agency? So, what
18 exactly does that 90-day window mean and what is coming
19 into compliance mean?

20 I think, you know, that really covers our
21 essential concerns here. We want to support you. We want
22 to work with you. We will offer such capability as we

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1 can. I think you are going to have to make some judgments
2 about where you are going to devote your resources first.

3 We are looking forward to seeing, as you are
4 directed to look in the high-risk countries first, how you
5 define those. What does that mean for a station that is
6 located in someplace that is not a high-risk country under
7 your definition such that if, for example, there is a
8 station in the U.K., and the U.K. may not be considered to
9 be a high-risk area, are they going to be adversely
10 affected because they are at the back of the queue
11 somehow?

12 That also would have to do with an assessment of
13 new stations as they come on board. Will that same
14 process apply to assessment of new stations as it does to
15 existing stations? If that is the case, I think we could
16 have some problems.

17 I will tell you we are very, very concerned
18 about the reaction of our trading partners. You mentioned
19 we have 650 stations overseas that work on U.S. products.
20 A lot of those stations are owned by my member companies.
21 They are there to service products that operate around the
22 world.

23

1 One thing that is kind of lost in the mix here
2 is the fact that the certification of a station by FAA is
3 regarded as a gold standard around the world, and other
4 countries will accept that certification without further
5 showing to allow to work on products which do not operate
6 on an N Registry.

7 That business base could be affected. There is
8 a lot at risk for us from a business perspective. You may
9 hear from the airlines, but you have operators who are
10 operating product which is foreign made -- Airbus,
11 Embraer, Canadair -- or have components that are foreign
12 made and those may be sent back to a foreign station owned
13 by the OEM for work.

14 If that source of repair is shut off, what does
15 the operator do if there is no domestic source of repair
16 or no alternate source of repair they can go to get that
17 component or that aircraft fixed. That is another concern
18 that we think needs to be considered and addressed. With
19 that, I will step aside and make room for the next
20 speaker.

21 Thank you very much.

22 MR. SHOEMAKER: Our next speaker is

23

1 Christian Klein from the Aeronautical Repair Station
2 Association.

3 AERONAUTICAL REPAIR STATION ASSOCIATION

4 MR. KLEIN: Good afternoon. My name is
5 Christian Klein, and I am legislative counsel for the
6 Aeronautical Repair Station Association. I thank the
7 Transportation Security Administration for affording me
8 this opportunity to introduce our organization and briefly
9 express ARSA's position regarding new aviation repair
10 station security requirements in these proceedings.

11 The theme of my comments today can best be
12 summed up by the title of my statement, "First show us a
13 problem, then we will show you a solution." Put simply,
14 ARSA's members do not believe that the Federal Government
15 has provided sufficient evidence that the existing foreign
16 repair station security regime presents a real threat to
17 civil aviation.

18 However, we are concerned that while the risks
19 may be small the process of publicly developing new, and
20 some would say unnecessary security mandates may actually
21 create new threats and vulnerabilities.

22 First let me provide some brief background about
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1 my organization. Founded in 1984, ARSA is a 650-member
2 trade association made up of companies that provide
3 maintenance, modification and engineering services to the
4 aviation industry.

5 ARSA's regular members are domestic and foreign
6 facilities authorized by the Federal Aviation
7 Administration and other national aviation authorities to
8 maintain and alter civil aviation products and articles.

9 Our associate members include airlines,
10 manufacturers, parts distributors and other companies
11 involved in general and commercial aviation. In sum, it
12 is ARSA's members that will be directly impacted by the
13 outcome of these proceedings.

14 In the days immediately following September 11,
15 2001, the aviation maintenance industry mourned along with
16 the rest of the nation for the victims of the terrorist
17 attacks.

18 In the weeks and months that followed, repair
19 stations suffered tremendous economic hardships as the
20 aviation industry experienced its worse downturn in recent
21 memory.

22 ARSA supported passage of the Aviation and
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1 Transportation Security Act and the creation of the TSA.
2 Our members saw these as critical steps to restoring the
3 confidence of the flying public, protecting civil aviation
4 from terrorist threats, and ensuring the long-term
5 economic health of the aviation industry.

6 Today, ARSA remains committed to the highest
7 level of aviation safety and to taking whatever measures
8 are necessary to ensure the security of the aviation
9 system.

10 However, we are concerned about this rulemaking
11 and these proceedings. "The Federal Register Notice" for
12 this public meeting urges participants to address several
13 specific issues including what security systems are
14 currently used at foreign and domestic repair stations,
15 what the perceived vulnerabilities of the current system
16 are, and how much is currently being spent on repair
17 station security.

18 ARSA does not believe that the U.S. Government
19 has sufficiently identified any real threat posed by the
20 current security regime. However, were one to exist, we
21 question of the wisdom of discussing the issue in such a
22 public forum and we wonder whether the TSA by raising
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1 these issues and drawing attention to perceived gaps is
2 not potentially creating a greater problem than it is
3 solving.

4 Our organization is uncomfortable responding
5 publicly to many of the questions the Notice poses,
6 because we do not want to expose the repair station
7 industry to unnecessary risk.

8 ARSA, therefore, urges the Department of
9 Homeland Security, the Department of Transportation, TSA,
10 and FAA to take all necessary steps to ensure the docket
11 for these proceedings is secure and that it does not
12 itself become a handbook for terrorists wishing to learn
13 more about the vulnerabilities in the aviation system.

14 If the docket for these proceedings is not
15 secure, it is unlikely that the stakeholders will be
16 willing to participate openly or that they will freely
17 identify perceived shortcomings in the current system.

18 Another of the discussion issues identified in
19 the meeting Notice is whether TSA regulations should "Be
20 tailored to the type of rating the repair station holds,
21 number of employees, proximity to an airport, number of
22 repairs completed or other characteristics.

23

1 In our opinion, an earlier statement in the
2 Notice, with which ARSA is in complete agreement, answers
3 this question. The Notice states that, and I quote,
4 "Repair stations vary greatly in size, type of repair
5 completed, workforce and locations such as proximity to
6 airport."

7 There are small shops in industrial parks that
8 may repair aircraft radios, and there are large stations
9 that complete major aircraft overhauls. Because the
10 station characteristics vary so greatly, the corresponding
11 threat and existing security measures also vary widely.

12 ARSA believes that the security measures
13 required of our members under the new regulations should
14 correspond directly to the security risks posed by what
15 those repair stations do. Unfortunately, the Federal
16 Government has thus far has failed to identify any
17 specific risks, which makes it impossible for us to
18 identify any specific solutions.

19 As suggested by the Notice, there is arguably a
20 relationship between the security risk at a repair station
21 and the repair stations proximity to an airport. If a
22 repair station is located at an airport, there is greater
23

1 likelihood that those are the repair station will come in
2 contact with the completed aircraft.

3 However, repair stations located at airports are
4 already subject to the elevated level of security at
5 airports put in place since September 11. In most cases,
6 the overall security environment at the airport is beyond
7 the control of a single company operating on the premises.

8 Given that there is already a high level of
9 security at airports, we do not believe that repair
10 stations should be subjected to a higher level of scrutiny
11 than any other vendor with access to aircraft.

12 Repair and maintenance facilities located at a
13 distance from airports, and therefore not subject to
14 airport security, generally only work on aircraft
15 components.

16 It is our opinion that the multiple layers of
17 testing and system redundancy built into the civil
18 aviation system already serve an important security
19 function for these maintenance providers.

20 For example, in the case of an engine,
21 components are frequently tested separately before the
22 engine is assembled. The overall engine is itself tested

1 in a test cell before ever being installed on an aircraft,
2 and the engine is tested again on the aircraft. Finally,
3 as hard as it is for the general public to understand,
4 modern aircraft are designed to operate safely even if one
5 of the engines fails.

6 In sum, exiting security systems at airports and
7 the security benefits of current regulations requiring
8 extensive testing and redundancy must be taken into
9 account before new security requirements are imposed on
10 our members.

11 The Notice also inquires about the kinds of
12 background checks, if any, that are conducted on repair
13 station workers prior to hiring or periodically
14 thereafter.

15 Like all domestic employers, U.S. repair
16 stations are required to verify the citizenship or
17 immigration status of their employees. Similarly, foreign
18 repair stations are required to comply with the employment
19 eligibility verification laws of the countries in which
20 those facilities are located.

21 Furthermore, there are other laws in place that
22 ensure that employs at FAA-certificated repair stations

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1 are scrutinized more closely than workers in other
2 industries.

3 For example, 49 U.S.C., Section 44711(c) bars
4 FAA-certificated entities from employing persons convicted
5 of certain crimes involving counterfeit aircraft parts.
6 This aviation industry-specific rule has forced repair
7 stations to more closely examine their employees'
8 backgrounds for criminal activity prior to hiring and
9 makes it more likely that suspicious persons will be
10 denied employment in the aviation maintenance industry.

11 Additionally, many of the employees at
12 FAA-certificated facilities are themselves FAA certificate
13 holders whose fitness to work has been verified by the
14 FAA.

15 It should also be noted that FAA regulations
16 require random drug screening of certain repair station
17 personnel throughout the period of their employment. ARSA
18 believes that the positive security extranalties
19 associated with existing general and aviation-specific
20 employment rules must be taken into account before the
21 Government imposes additional mandates on maintenance
22 industry workers and employers.

23

1 Finally, we wish to remind the DHS, TSA, DoT,
2 and the FAA that as far as these proceedings are concerned
3 time is of the essence. The repair station industry will
4 suffer immediate consequences if the deadlines established
5 in Vision 100 are not met.

6 The statute is clear that if DHS and FAA fail to
7 complete the foreign repair station security audits
8 required by Vision 100 within 18 months of the issuance of
9 the new security rules, and I am quoting here, "The
10 administrator shall be barred from certifying any foreign
11 repair station until such audits are completed for
12 existing stations."

13 Were the FAA to stop issuing new certificates to
14 foreign repair stations it would have immediate economic
15 consequences both for those facilities and for the global
16 aviation industry.

17 Allow me to conclude by reiterating my earlier
18 statement that ARSA is committed to the safety of the
19 civil aviation system. While we may question whether the
20 current repair station security regime poses any real
21 risks to aviation security, we recognize that Congress
22 mandated these proceedings.

23

1 ARSA is therefore committed to working with the
2 DHS, TSA, DoT and FAA as well as with outside stakeholders
3 to ensure that this process moves quickly, that the
4 statutory deadlines for the implementation of the
5 regulations and audits are met and that disruptions to the
6 aviation industry are avoided.

7 Once again, I thank the TSA for the opportunity
8 to make this statement.

9 MR. SHOEMAKER: Our next speaker is Ric Peiri
10 from Aircraft Electronics Association.

11 AIRCRAFT ELECTRONICS ASSOCIATION

12 MR. PEIRI: Good afternoon. I am Richard Peiri
13 and I am vice president with the Aircraft Electronics
14 Association here in Washington. Thank you for this
15 opportunity to give our thoughts on this, and we look
16 forward to working with you on the issue.

17 The Aircraft Electronics Association represents
18 the general aviation/avionics industry including just shy
19 of a thousand repair stations worldwide. The Association
20 recognizes the mandate to develop security regulations for
21 aircraft repair stations.

22 This will not be an easy task. Of the
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1 approximately 5,500 certificated repair stations, 2,600 of
2 them hold airframe ratings. Of the 2,600 repair stations
3 that hold airframe ratings, 300 are located on foreign
4 soil. That is the bad news.

5 The good news is that security isn't new to
6 repair stations. We have been exercising theft prevention
7 for over 40 years now. Theft prevention is a sound
8 business tool.

9 It is bad business for me to lose the property
10 of the customer that the customer has trusted with me.
11 Whether it is something as simple as a headset or the
12 entire aircraft, to lose the customer's property is just
13 bad business. In addition, most business insurance
14 companies mandate or at least at a minimum encourage that
15 an active theft prevention program be in place.

16 The next element of a security program is
17 knowing your employees. Of the almost 1,000 repair
18 stations that we represent, 70 percent of them are small
19 businesses with fewer than 10 employees.

20 In addition, since general aviation is such a
21 small industry and tight-knit family, if you would, it is
22 almost impossible to find someone who is unknown or at
23

1 least hasn't worked with a friend of a friend. If you
2 attend any of the general aviation conferences, you will
3 know that they all know each other.

4 The last element of security is knowing your
5 customer. The majority of aircraft maintained at general
6 aviation facilities have the maintenance contract
7 negotiated by the owner or chief pilot. The aircraft is
8 delivered by the same person, and, finally, the aircraft
9 is inspected by and picked up by the same person.

10 In closing, general aviation has been actively
11 practicing theft prevention for over 40 years. It is not
12 perfect, but certainly not broken, either. Tests and
13 breaches of our security system should be a learning tool
14 that we can use to enhance it; it shouldn't be perceived
15 as a "gotcha."

16 Additional security regulations would be
17 excessive, burdensome, costly and mostly unnecessary for
18 the small businesses that we represent. Thank you for
19 your time. We look forward to working with you as we
20 progress in this process.

21 MR. SHOEMAKER: Our next speaker is
22 Rich MacKulsky of Pratt & Whitney, U.T.C.

23

1 (No verbal response.)

2 MR. SHOEMAKER: We will move on to Edward
3 Wytkind representing the Transport Trades Department,
4 AFL-CIO.

5 TRANSPORT TRADES DEPARTMENT, AFL-CIO

6 MR. WYTKIND: Good afternoon. Thanks for
7 allowing the Transportation Trades Department to
8 participate in today's hearing. My name is Edward
9 Wytkind, and I am the president of the organization.

10 We represent 35 transportation unions across the
11 entire industry including the nation's premiere mechanics
12 unions that represent thousands of workers across the
13 country, the International Association of Machinists, the
14 Transport Workers Union, and the International Brotherhood
15 of Teamsters.

16 Our member unions also represent airline workers
17 in other fields, pilots, flight attendants, air traffic
18 controllers, the inspectors of the FAA, airline customer
19 service reps, and workers who work in the airports.

20 In short, our unions are dependent on a safe and
21 secure airline industry, and it is a mission we take very
22 seriously. Our members' concerns about security are

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1 underscored by the suffering that followed the horrific
2 attacks that this country faced on 9/11 -- an attack that
3 transportation workers, just like all Americans, will
4 never forget as it was carried out in their workplace.

5 Too many workers never returned home, many of
6 the members of our unions. It is that day that drives us
7 in pushing for the high security standards across the
8 entire transportation system. We thank you for letting us
9 participate in your deliberation.

10 You know, there have been a lot of comments made
11 by a few of the other participants today about the fact
12 that these regulations may be excessive that you are about
13 to undertake, that perhaps the Act by Congress wasn't
14 appropriate.

15 We strongly disagree, because the reality is
16 what it is. The facilities that are based around the
17 globe, some 650 of them, are not being subjected to the
18 same standards that we face here back in the
19 United States.

20 It is something that our mechanics unions have
21 been on the forefront of fighting for a long time. This
22 isn't a new issue. This is not a post-9/11 issue. This

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1 issue has been around for many, many decades.

2 In particular, it is a product of some ill-
3 advised regulatory changes that went into effect in the
4 late eighties that to this day we think aviation safety
5 and security is suffering for.

6 We think our government must step in and close
7 the loopholes that continue to exist in aviation safety
8 and security as it relates to repair facilities both here
9 and abroad.

10 Despite giving these facilities licenses to work
11 on U.S. aircraft, we lack both the resources and the
12 federal commitment needed to ensure the safety and
13 security of the repair work that these stations perform.

14 It is that involvement, it is our involvement,
15 in making sure those issues are addressed and the fact
16 that we have spent so much time on this issue over the
17 past two decades that has me very deeply disturbed by
18 today's hearing and what happened leading up to hearing.

19 I don't know who made the decision to proceed
20 with the hearing or to post the Notice the way it was
21 posted, but we are deeply disturbed that the process used
22 to call this hearing leads us to believe that the TSA

23

1 really isn't interested in the views of the front-line
2 workers and their unions.

3 We are disturbed that the hearing was announced
4 in "The Federal Register" on the 24th, just a few days
5 ago, and we got three days to prepare for testimony that
6 we think is one of the most important issues facing the
7 TSA.

8 We don't believe the TSA has ever had such a
9 hearing held which makes us wonder, What is going on here?
10 It gets worse. Because we learned that the industry got
11 notice of this before the general public did. I heard the
12 comments, which I took at heart, about the genuine effort
13 to try to tell stakeholders about the hearing.

14 Please, please don't tell us that the TSA
15 doesn't know that transportation unions are interested in
16 this issue. Please don't tell us that. We have been
17 involved in it forever. We have petitioned the TSA for
18 emergency action on this issue, which was denied.

19 Please tell us that the computers in the TSA
20 know that we exist; that we have a view on this; and that,
21 by the way, we may have led the fight on Capitol Hill to
22 get this legislative mandate done which gave rise to

23

1 today's hearing and the proceeding that we are now
2 involved in.

3 The unions that we represent have been working
4 very hard on this issue, and we just wonder why we got so
5 little notice when it is clear that the industry got more
6 notice than we did. Frankly, that is just not fair pool
7 for us, and we think it is not the way the TSA ought to be
8 doing business.

9 Last April we petitioned, on behalf of our
10 mechanics unions and the national AFL-CIO petitioned, to
11 the Agency to ask for the immediate revocation of
12 certificates for foreign-based aircraft stations until
13 such time as thorough audits were conducted and completed
14 and regulatory rules written.

15 While the petition was denied, without adequate
16 explanation I would add, we renew our call today for the
17 Department of Homeland Security, the TSA, and the FAA to
18 shut down foreign repair stations that have not undergone
19 thorough security audits.

20 We are, frankly, puzzled by some of the comments
21 already made that somehow we should not talk about these
22 issues because it will provide some sort of road or a
23

1 blueprint for terrorists.

2 Look, the reality is that if there are holes in
3 the system we ought to identify them, have a deliberation
4 about it, have an appropriate debate about it, and let's
5 do something about it as Congress very aggressively
6 mandated.

7 We don't think we should shove those issues
8 under the rug simply because they talk about and address
9 sensitive issues. Section 611 is very clear in its
10 mandate, and we want to obviously thank in the record the
11 efforts of Senator Arlen Specter, Barbara Boxer,
12 Dick Durbin, Mark Dayton, and Congressman Oberstar, Young,
13 DeFazio and many others who fought for this provision
14 because it makes sense. It is good, common sense policy
15 for the United States.

16 Let me just say that we have long been concerned
17 about the double standard that applies to foreign-based
18 repair stations and the difference between those
19 operations and those that are run, especially in-house at
20 the nation's airlines.

21 While the FAA insists that domestic and foreign
22 facilities are held to the same standards, we know this

23

1 isn't true, and, by the way, so does Congress. Domestic
2 workers undergo drug and alcohol testing. This is not
3 required, unless by chance, that country requires it of
4 those workers.

5 The mechanics in this country are subjected to
6 rigorous criminal history checks, and despite comments
7 made earlier that is not the case even at certificated
8 facilities, unless by chance that country requires
9 criminal history checks. You know, let's not kid, What's
10 going on here?

11 We know that oversight of foreign stations pales
12 in comparison to surveillance that is performed at
13 domestic stations. FAA inspectors are members of a union
14 we represent, professional airway system specialists.
15 They do not have the same type of access to those foreign
16 stations as they do at domestic stations.

17 The Department of Transportation IG reported
18 last summer that contract repair stations in general are
19 not receiving the type of oversight they need, especially
20 since major carriers like Northwest Airlines are sending
21 more and more work overseas.

22 If FAA inspectors due to access issues and
23

1 staffing shortfalls are having a tough time keeping up
2 with current requirements, in terms of safety inspections,
3 how can the TSA and the FAA and our government expect them
4 to carry out the congressional mandate to ensure the
5 highest security standards at these facilities?

6 In short, we need more inspectors. We need to
7 train them better, we need to train them to look for
8 security breaches, and we need them to be focusing on
9 where the work is going, which obviously is to repair
10 facilities.

11 As we stated in our petition last April, it is
12 well known that this nation continues to be the target of
13 terrorist intentions, both domestically and abroad. In
14 fact, we often hear warnings from our government about
15 threats occurring outside the U.S., but they are directed
16 at the United States.

17 This of course leads to a concern that certified
18 foreign repair stations that are eligible to work on U.S.
19 aircraft could provide terrorists with an opportunity to
20 levy attacks against American interests.

21 Mechanics who have unescorted access to secure
22 areas at U.S. airports are subject to security background

23

1 checks, as I mentioned, but the mechanics at repair
2 stations do not have the same requirement to do so as
3 well.

4 One more point, I note that there is a rule
5 under the TSA issued last year that TSA can revoke an
6 airman certificate if the TSA determines that he or she
7 poses a threat to aviation security.

8 What is interesting is that while certified
9 mechanics are required in certain instances at U.S.
10 stations there is absolutely no requirement that anyone in
11 a foreign station be certified by the FAA.

12 Even if the TSA identified an overseas mechanic
13 as a security risk -- and, by the way, there isn't a
14 process to do this anyway -- there is no way to prevent
15 that person from working on a U.S.-bound aircraft.

16 In closing, we want to stress to the TSA that we
17 have a very large stake in this debate and in the
18 deliberation of this regulation. We are committed to
19 ensuring that the congressional mandate from last year's
20 FAA bill is carried out responsibly and without delay.

21 As we appear here today, the safety issues
22 related to the airline industry's overreliance on contract
23

1 repair stations is grabbing headlines. The fine public
2 deserves to know that to a front-line mechanic in this
3 country who works for the nation's airlines contracting
4 out is really about cutting corners.

5 We can't allow airlines to choose profits over
6 safety. The airline industry's financial pressure makes
7 it too tempting for cash-strapped carriers to slash costs
8 and cut corners by sending planes used on domestic routes
9 overseas for repair work.

10 While it should come as no shock to anyone that
11 this industry is looking to slash costs through
12 ill-advised outsourcing schemes, the TSA has a
13 responsibility to protect the flying public from this
14 dangerous contest being played by the nation's airline
15 CEOs to see who can sell off more mechanics' jobs to
16 potentially unsafe places.

17 We believe this game must end. We look forward
18 to participating in the work of the TSA and to getting
19 this regulation completed in a timely fashion. Thank you
20 again for allowing me to appear.

21 MR. SHOEMAKER: Our next speaker is Roger Tauss
22 from Transport Workers Union of America.

23

1 TRANSPORT WORKERS UNION OF AMERICA

2 MR. TAUSS: Good afternoon. I am Roger Tauss,
3 international vice president and legislative director of
4 the Transport Workers Union, representing about 60,000
5 airline workers and 20,000 mechanics. I am proud to say I
6 was one of those who worked with other unions to
7 accomplish the passage of this legislation.

8 I associate myself with the remarks of
9 Ed Wytkind concerning the process leading up to this
10 hearing. I have to say that notice given to industry
11 representatives, who from their testimonies are more
12 concerned about minimizing the effects of this rulemaking
13 and worrying about their pocketbooks than about the safety
14 of the flying public, I have heard no comments from any of
15 them about what they want to do to protect that. Yet,
16 they received notice and the unions did not.

17 It creates the fear in one's mind that perhaps
18 the result is predetermined; I certainly hope not. It is
19 bizarre to find the same government which refuses to allow
20 the reimportation of drugs because of safety problems to
21 allow foreign maintenance and the import of those aircraft
22 into our skies with minimal to zero safety requirements.

23

1 Now, we are not saying that some work should not
2 be done overseas, but we are saying whether it is
3 prescription drugs or food safety or air safety, it should
4 be done under strict supervision to the same standards
5 that are applied here, otherwise our standards are
6 meaningless; they are simply cosmetic.

7 At a minimum, FAA standards for foreign-
8 maintenance bases should include the same kind of strict,
9 strong, hopefully unbreachable perimeter we have around
10 out aircraft facilities.

11 It should include the same kind of criminal
12 background checks, and it should include as well the same
13 kind of drug and alcohol testing. This is not only a
14 safety issue in terms of the fitness for duty of
15 individuals, but we know that people with addictions are
16 vulnerable to pressure.

17 In addition, I believe there is something else
18 that has to be considered that probably is not a problem
19 in this country. You may have the finest standards on
20 paper, but in a number of Third World countries, too many,
21 there is a culture that smiles upon and accepts bribery as
22 a part of the economic way of life.

23

1 It is not enough to have strict standards in
2 these countries, we have to be sure that the mechanisms
3 are in place to prevent bribery from breaching the system.
4 I have heard industry representatives say that, "Well,
5 there is not enough time for this."

6 My God, we solved this problem, we addressed
7 this problem with legislation within months after 9/11.
8 We are going on two and a half years, and only because the
9 FAA refused to do anything about this gaping hole in our
10 security did Congress take it up and we are here today. I
11 mean, we will be three years from 9/11 when this
12 regulation is supposed to be in place.

13 I heard that, "Oh, nothing should be done until
14 there is an appeals process." Our workers in America are
15 taken off the job if they fail a criminal background
16 check, taken off the job immediately and in point of fact
17 still to this day have no appeal process.

18 We have heard that there is no showing of need.
19 Are people suggesting that there was a greater need to
20 protect security from our employees and our workers on our
21 bases here than there are in some Third World countries
22 with large terrorist undergrounds? This is unbelievable.

23

1 We will submit further comments on this, but I
2 would like to use the rest of our time to introduce
3 Gerald Zerm who is a 36-year American Airlines mechanic
4 who can speak to the very real risks of terrorists at
5 foreign maintenance bases.

6 MR. ZERM: Thank you. Thanks for the kind
7 words.

8 Good afternoon. My name is Gerald Zerm. I am
9 here representing my union, the Transport Workers Union.
10 We represent close to 20,000 employees in aircraft
11 maintenance at American Airlines alone. We presently have
12 three Part 145 repair facilities: Tulsa, Alliance
13 Fort Worth, and Kansas City.

14 I am presently employed as an avionics crew
15 chief in Chicago, and I have been there for approximately
16 30 years. In 2001, I had the privilege of serving on a
17 committee made up of representatives from the industry and
18 from labor for the purpose of examining and finding
19 solutions to the various double standards that had
20 developed between the foreign and domestic repair
21 facilities, and, in fact, between some domestic
22 facilities.

23

1 That committee was created by Congress, and
2 although we did not reach complete consensus on how to
3 deal with all of these issues, I believe our work was
4 useful and should be examined by the TSA as it approaches
5 the various security issues on the table here.

6 I will say, however, that we were never able to
7 reach consensus on appropriate solutions for the clear
8 discrepancies between foreign and domestic facilities with
9 respect to drug and alcohol testing and the frequency of
10 unannounced visits.

11 I would suggest that these issues would be
12 reexamined by the TSA. I note that some of our meetings
13 were held before September 11, 2001, and, unfortunately,
14 since that time many of the inconsistencies in employment
15 and security standards have grown worse, not better.

16 The bottom line at this juncture is the U.S.
17 aviation maintenance workforce and its employers are now
18 subject to rigorous security oversight. The oversight is
19 designed to protect the general public, but it won't work
20 if the airlines can bypass security oversight by simply
21 moving maintenance to foreign basis.

22 Different airport authorities approach these
23

1 rules differently, and have quite often lead to great
2 inconvenience in their application and has lead to results
3 that I believe were harsh and unfair. However, that is
4 not the issue today.

5 I am concerned that our members, we cannot
6 compete on a level playing field with foreign vendors that
7 are given the competitive advantages of bypassing costly
8 background checks and security regulations placing the
9 public at greater risks.

10 I am deeply concerned that there is no mechanism
11 for ensuring that our members will compete on an even
12 playing field. Certainly, foreign vendors should not
13 enjoy a competitive advantage by being able to bypass
14 costly background checks and other security regulations.

15 We have seen no real mechanism by which the TSA
16 ensures that foreign repair facilities supply equivalent
17 security guarantees in relation to their hangars,
18 equipment, and employees.

19 We join with the AFL-CIO Transportation Trades
20 Department in seeking ways to assure both proper security
21 and a level playing field. I hope that the TSA is ready
22 to recognize labor's role in seeking these objectives, and
23

1 my organization stands ready to work with your Agency to
2 do so.

3 Thank you very much.

4 MR. SHOEMAKER: Our next speaker is James Varsel
5 from the International Association of Machinists and
6 Aerospace Workers.

7 INTERNATIONAL ASSOCIATION OF MACHINISTS

8 AND AEROSPACE WORKERS

9 MR. VARSEL: My name is James Varsel, and I am
10 the airline coordinator for the International Association
11 of Machinists and Aerospace Workers. The "IAM" as it is
12 known represents about 500,000 workers in the
13 United States, which represent predominantly transport and
14 aerospace workers.

15 The IAM is greatly interested in ensuring that
16 the U.S. aviation industry is as secure as possible.

17 While the threat of sabotage to aircraft may never
18 completely disappear, we must not invite our enemies to
19 attack us by leaving the back doors open.

20 As recent cancellations of flights originating
21 on foreign soil indicate, there is a very real and
22 immediate threat to this country from aircraft returning
23

1 from overseas, nonetheless, untrained and unqualified and
2 sometimes unknown individuals' unfettered access to
3 aircraft during maintenance overhauls performed at foreign
4 repair stations.

5 Many overhaul technicians work alone on
6 individual assignments in confined areas. A worker can
7 easily place a device set to detonate at a predetermined
8 time or altitude inside an access panel without being
9 noticed.

10 The most effective way to eliminate duress of
11 aircraft sabotage that could occur at a foreign station is
12 simple. You know, U.S.-based airlines should be required
13 to have the scheduled maintenance performed within the
14 borders of the United States. This allows the airlines
15 and the federal law enforcement agencies the ability to
16 provide sufficient oversight.

17 Failing that, many foreign repair facilities
18 wishing to perform scheduled maintenance for U.S.-based
19 airlines must meet the same requirements as U.S.
20 maintenance operators. This includes the same extensive
21 background checks and mandatory drug testing for
22 employees.

23

1 Background checks must be coordinated with the
2 appropriate U.S. law enforcement officials. Foreign
3 employers must be able to provide background data on each
4 employee working an aircraft upon demand of the U.S. law
5 enforcement agencies or owners of the aircraft they are
6 maintaining. If they are unwilling to meet the same
7 requirements of U.S. repair stations, then they do not
8 deserve the business.

9 The U.S. aviation system is the safest in the
10 world, but we lower our maintenance standards when repairs
11 are contracted out to foreign facilities with little or no
12 oversight from the airlines or our government.

13 The American flying public demands one level of
14 safety, one level of security. Unless airlines are
15 mandated to perform scheduled maintenance within our
16 borders, the government must work to bring the level of
17 security and safety at the foreign repair stations up to
18 the level of the in-house operations of U.S.-based
19 airlines.

20 Even if foreign facilities are subject to the
21 same security requirements as the U.S.-based maintenance
22 operations, enforcement of those requirements in foreign
23

1 countries is never at the same level as it is in the
2 United States. Cosmetic changes undertaken to enhance the
3 public's perception of aviation safety do nothing to make
4 aircraft safer.

5 There must be a level of safety. One level of
6 security of our aircraft regardless of where it is
7 maintained. Anything less would be an open invitation to
8 those who want to harm us.

9 Thank you.

10 MR. SHOEMAKER: Our next speaker is
11 Michael Mertens, Duncan Aviation.

12 DUNCAN AVIATION

13 MR. MERTENS: First of all, thank you for
14 allowing me to be here. I am a chief inspector. I am not
15 some political person from Washington, D.C., who has had
16 all of these big groups after my name, but I am just as
17 passionate as the three gentlemen who just got done
18 speaking, or four.

19 I care about aircraft safety. I care about it
20 very much. However, I want to make sure that we do not
21 make this political, and we also do not change a quality
22 issue and try to make it a security issue. Those are two
23

1 different things. I want to make sure that we have that
2 in place.

3 I also want to be careful that whatever we put
4 into place for a 145 repair station and we force our
5 foreign U.S. repair stations to do the same thing, you are
6 also putting up a big Pandora's box for having the civil
7 aviation authorities of those foreign countries to come in
8 and make the same or different requirements on us in
9 retaliation. Be careful what you do there as well.

10 My number one concern is the safety on the
11 aircraft and the accessibility to the aircraft. The
12 problem I have with the singling out of repair stations is
13 repair stations only take up one small portion of the
14 airport footprint an access to these aircraft.

15 You can make all of these little repair stations
16 and large repair stations be the most secure places in the
17 world, but then 10 feet down the ramp to another facility
18 that is not a repair station they can have free and easy
19 access to the aircraft, then you have no safety at all,
20 you have no security.

21 We need to be careful that we don't say just the
22 repair stations have something important to do. It is
23

1 also important to realize that if you don't have access to
2 that aircraft, that there is little to no security risk to
3 the aircraft itself.

4 Everything that is done by a repair station that
5 is not on the field will have to be put in by somebody
6 that is on the field, normally at a repair station where
7 they have the security in place, the background checks are
8 made, and then they are tested at that point.

9 If they do not work, then they are taken back
10 and sent back for repair. If we keep getting bad things
11 from these people, then they quit being used as a vendor.
12 Again, if you control your vendors right, you do not have
13 a problem.

14 The biggest problem I have with all of this
15 today is I don't know what threat we are trying to stop.
16 Are we just automatically thinking of another September 11
17 or are we thinking of something else that is a different
18 kind of threat that we aren't even aware of today?

19 I can't fix what I don't know I am supposed to
20 be watching out for. I lived in Mozambique, Africa, for a
21 couple of years. It was a Communist country and I watched
22 how they watched their security for airports.

23

1 I worked as an airplane mechanic in that
2 country. It was impossible to get things done at times to
3 even get a customer's airplane in the air again because of
4 the "security" that they caused at that point -- all in
5 the name of paperwork and looking good to the flying
6 public.

7 We don't need a show, we need true security. I
8 think we have a pretty good job of it here in the
9 United States. I also worked in South Africa at times,
10 too.

11 If you want to talk about a paranoid people, you
12 do not want to have a paranoid industry where everything
13 we turn around we hear a noise in the corner or a shout
14 passes by that we have to stop work and run over and find
15 out what happened.

16 We are still a free society. I do not want
17 another September 11. Duncan Aviation has three main
18 facilities in the United States and 20 other small
19 facilities around the United States.

20 We are also turning in one of our repair
21 stations already because of increased costs of the new
22 145. Now we may be asked to incur even more cost,
23

1 unnecessary cost, in the name of security. That could put
2 some more people out of work at a time when we do not need
3 more regulations.

4 Again, I will support any regulation that will
5 help us write regulations and the TSA write regulations
6 that make sense and give us the most bang for our buck,
7 but I do not want to support something that is just going
8 to throw more confetti and paperwork at something that is
9 nothing but show and does nothing to actually help
10 security.

11 We have a secure industry. We spend a lot of
12 money. We watch our people, we watch our customers. We
13 know who our customers are; they know who we are. They
14 come to the people who give them the best quality for the
15 money that they can use.

16 That is important to us, that is important to
17 our customers, and that is important to our flying public.
18 However, don't put all of your eggs in the airline
19 passenger carrying part and the repair stations; you have
20 got to watch the rest of the airport because that is where
21 it happens.

22 Most of the time the airports are secure now

23

1 because of what the TSA has already done. We meet with
2 our TSA representative on a reoccurring basis. I am
3 hoping that they are going to be knowing what is going on
4 and what the security risk is so that we can act on it and
5 do something to stop it, otherwise there is no way you can
6 write a regulation that is going to force people to have
7 the kind of life or the kind of use that are out there.

8 Anything can be gone around the back door, so be
9 careful what we write that we don't throw a lot of money
10 and fluff at something just to give the appearance that we
11 have better safety.

12 Thank you.

13 MR. SHOEMAKER: Our next speaker is Ed Green
14 also from Duncan Aviation.

15 GARRETT AVIATION

16 MR. GREEN: Good afternoon. My name is
17 Ed Green, a slight correction, it is Garrett Aviation in
18 Long Island, New York. I am here to speak from a domestic
19 repair station point of view. We haven't been waiting two
20 and a half years to get behind what has to be done and do
21 the right things.

22 The first thing we did was we went out and hired
23

1 a third party company to come in and assess our
2 vulnerabilities. With that assessment, we took some 62
3 actions. I am speaking from our one site. We have five
4 sites around the country, major sites, on airports.

5 The results of that was, first of all, bringing
6 the awareness up of all of the employees. One of the
7 questions asked just recently was, "What are we doing
8 about training employees?" That is probably the most
9 important thing.

10 As Mike said, you have to be careful about who
11 has access to the aircraft, and all of the employees know
12 who does. We know our customers, and that was brought up
13 earlier. In the aviation business, private aircraft and
14 corporate aircraft, you know who should be near them.

15 However, on the other hand, who is there at
16 night? We put on night security that wasn't there before.
17 We make sure that 24-hour surveillance cameras are being
18 monitored at all of our locations. These are things that
19 we have taken action on already.

20 We have ranked our sites for vulnerability. One
21 big thing is the proximity to major locations. McCarthur
22 Airport in Long Island is very close to New York City. We

23

1 are very much aware of what went on. We really have taken
2 the initiative. I think the best thing we did was work
3 with the TSA, and we have a very proactive TSA group at
4 McCarthur Airport.

5 They are coming out this Wednesday night and
6 they are going to talk to the employees as well as the
7 members of the Long Island Business Aviation Association.
8 That is 40 companies that we gathered together, this will
9 be the second time, with the TSA. Educating people is the
10 best thing you can do.

11 As far as regulations go, I think common sense,
12 the TSA already has control of the airport. We do
13 background checks; it is very extensive. They come over
14 once a month just to check our accessibility, you know,
15 can they get in the parking lot, do they have to sign in,
16 and they report to us what their findings were. So far we
17 have had no findings.

18 We have been doing this for two and a half
19 years. What have we found? I think we are all highly
20 aware we don't want to be the soft target for any
21 terrorism. I think by being an example or making it tough
22 for people to take advantage of your situation, that is

23

1 the best thing you can do.

2 As far as we looked at all of the questions that
3 were asked and, you know, we have taken multiple measures.
4 We have spent lots of money on all of our sites. I can
5 only speak for my own in detail, but it is money well
6 spent.

7 It is bolstering some of the things that were
8 already there, and we have added some new things. We have
9 actually taken 11 financial measures that put things into
10 place that weren't there before as far as card access to
11 every door.

12 The thing I think we have to be most concerned
13 about is, you know, the aircraft leaving the facility and
14 making sure we know who is taking it, where it is going to
15 make sure that those aircraft can't be taken when nobody
16 is around -- we take measures but I am not going to go
17 into the details of those -- to make sure that can't
18 happen.

19 Just thanks for the opportunity to get to talk
20 to you. But I just want to reassure you that things are
21 happening and the best relationships we have are those
22 with the TSA and the local airport authorities that work

23

1 with us and make sure that we are keeping things safe.

2 MR. SHOEMAKER: Our next speaker is
3 Dave Lotterer from the Regional Airline Association.

4 REGIONAL AIRLINE ASSOCIATION

5 MR. LOTTERER: Well, first of all, thank you for
6 the opportunity to comment.

7 Let me just mention some brief comments about
8 RAA, the "Regional Airline Association." We have
9 approximately 60 members that operate regional aircraft,
10 regional air carrier schedule service primarily feeding
11 the hub aircraft for the major carriers. We operate into
12 Mexico, the Caribbean and Canada. Approximately, I would
13 say, about 12-14 of our members provide such service to
14 those destinations.

15 We note that the TSA has been directed to
16 develop rulemaking, and we are certainly here to support
17 that activity in any way that we can. We operate a number
18 -- most of our aircraft really are manufactured overseas,
19 the manufacturers are Embraer, Bombardier, Aerospatiale in
20 France.

21 However, many if not most of the components are
22 U.S. manufactured in those aircraft, so it is really a

23

1 give-and-take type thing. I view this process as not so
2 much of a foreign repair station versus a domestic repair
3 station.

4 I notice that your directive was to develop a
5 security program for both such facilities. We see no
6 reason why they can't accommodate both equitably and
7 fairly. I, too, think we have to identify these risks.

8 I agree with Mr. Robeson that you certainly
9 don't want to discuss these kinds of things publicly, but
10 in terms of risk I think it is very important when you
11 fashion a program that you do look at the risk.

12 What is the security risk with respect to any
13 one or several parts of aircraft? I think you do have to
14 make a distinction between the component repair business
15 and the aircraft repair business to really fashion a
16 program.

17 We do not see any risk at repair stations for
18 components including engines, because there are various
19 inspection opportunities to determine the airworthiness of
20 that particular part before it is placed in service. For
21 us, we view no risk there.

22 When the aircraft is repaired overseas or at a
23

1 repair station within the United States, there certainly
2 is a potential for risk, a security risk. However, as
3 Ric Peiri of the AEA pointed out, the risk is very similar
4 to that type of risk with respect to theft.

5 Consequently, I would envision that you would
6 put together a program that is largely not only a security
7 kind of program, but in a way a theft program as well.
8 For that, I guess I would envision some type of rule that
9 would basically state that you would have to have a
10 security program with certain standards.

11 Some of those standards would certainly be
12 unauthorized access into the facility, badges for the
13 employees working on airplanes, employee training that
14 would possibly challenge on-badged personnel and general
15 security awareness kind of issues.

16 Also, employment verification programs, we have
17 had those in the past for employees that work in and
18 around the aircraft. We did have particular problems
19 with, I think, the FAA program of 10 years past records.

20 We think that is certainly excessive we would
21 think, particularly for security issues. A five-year
22 program in terms of verification of records we think would
23

1 be very reasonable. Basically, that is it. I look
2 forward to working with you on it.

3 MR. SHOEMAKER: Okay. We had a few speakers
4 sign in on the "Speaker Sign-In Sheet," so I just want to
5 make sure that I get everybody.

6 Bryan Fitch from NATA?

7 (No verbal response.)

8 MR. SHOEMAKER: Okay. Yvette Rose from Cargo
9 Airline Association?

10 (No verbal response.)

11 MR. SHOEMAKER: Okay. Did we miss anybody? Is
12 there anybody else who would like to speak?

13 Yes? Come on up.

14 GULF STREAM

15 MS. CLARK: Good afternoon. I am Brooks Clark,
16 and I represent Gulf Stream. Gulf Stream as you know has
17 many repair stations across the United States, and we also
18 have one in New England. I did not plan to give a
19 statement today, but I have prepared some statements for
20 you.

21 We look at our security program very seriously
22 and have for many years. All of our facilities we have
23

1 prepared -- as one of the other speakers mentioned about
2 having a third party come in and do a security assessment.

3 We did that in all of our facilities in 2001 --
4 I'm sorry, in 2002 we had performed those security
5 assessments on the physical security and out of that had
6 many actions and spent many dollars towards security
7 systems for all of those sites.

8 We have physical security measures that cover
9 our corporate and site-specific policy and protocols. We
10 are working our security awareness and education program.
11 That would be for our general population and our
12 management. We did place our leadership team and our
13 management through training with a third party to talk
14 about threats.

15 We have guard force operations at all of our
16 facilities. We have applied technology which includes
17 access control, CCTV, alarm systems and lighting, we have
18 perimeter controls, fences and gates at all of our
19 facilities.

20 We have ID badge issuance. I just recently, in
21 December, updated our photo ID badge and visitor
22 registration policy. Part of that was to reeducate the

23

1 employees, as someone else mentioned, about when someone
2 comes up without a badge or does not have a badge in the
3 facility that they are challenged in a professional
4 manner, but that they get back to place their badge in the
5 appropriate location so that they are ID'ed.

6 All of our employees are required to wear a
7 photo ID badge in all of our facilities. We do not allow
8 anyone unauthorized in our facilities. It is very
9 important.

10 Visitor registration is very important. We have
11 also things in place, measures, different levels of
12 badging that we have so that we can have a good visitor
13 control program and escort requirements.

14 We have customers in our facilities that visit
15 our facilities with their aircraft, as well as our
16 employees and visitors coming into the facility, as well
17 as the additional requirements for foreign nationals that
18 may visit or as an employee of our facility.

19 For background checks, I am happy to report that
20 we performed seven-year criminal background checks for
21 preemployment for felony and misdemeanor convictions. For
22 contractors, we currently perform five-year criminal
23

1 background checks for preemployment, and we also as a
2 business unit of General Dynamics have a new policy that
3 we are to comply with a seven-year background check for
4 contractors so that would be equivalent to our employment,
5 criminal background checks. We feel like we will
6 certainly exceed that parameter, if it is a five-year
7 criminal background check.

8 For FAA drug testing, as other speakers have
9 stated today, we certainly have the same guidelines where
10 we have random drug testing in all of our facilities,
11 those are performed.

12 We have spent several hundred thousand dollars
13 between all of our facilities to provide security systems,
14 which addresses one of the questions in "The Federal
15 Register."

16 We can repair up to a whole aircraft at our
17 repair stations. The size of our facilities range, of
18 course, in number of employees. I actually work at the
19 Savannah facility, and that is our largest manufacturing
20 facility and we do service and completions there.

21 All of our facilities, our repair stations are
22 on the property or within just a few hundred yards of the

1 airports. We have only approved suppliers that we use for
2 parts and for assemblies.

3 Our suppliers are audited, and, as I mentioned,
4 background checks are required for our contract employees.
5 The size of our operation depends on the size of our
6 facility. From one facility, we may could perform
7 thousands of repairs a year to hundreds a year.

8 Other questions when we talk about repair
9 station security are that there is a lack of consistency
10 in the physical security measures. Because there are no
11 specific guidelines for repair stations and they vary
12 certainly in size from the large aircraft to the smaller
13 aircraft, there needs to be some level of consistency.

14 Some basic physical security measures that
15 should be in place should include access control,
16 parameter controls, ID badge issuance, security awareness
17 and training for employees and management, and policies
18 and procedures must be in place.

19 One thing that I wanted to bring to your
20 attention today is that there are other facilities that
21 perform heavy maintenance and major refurb (sic) on
22 corporate aircraft up to and including Gulf Stream
23

1 aircraft, not all of those facilities have an FAA license.
2 Some of those run under an Inspection Authority, "IA,"
3 type of arrangement.

4 What is the definition of a "repair station"?
5 If we are going to put regulations in place for repair
6 stations, then we need to have all of the repair stations
7 come up to standard with a license from the FAA.

8 Because the FAA repair station license requires
9 certain things be in place -- the inspection procedure
10 manuals, proper tools and equipment, training and work
11 that is performed be signed off by the repair station and
12 the company is liable -- then our position is very
13 strongly in favor of not allowing exceptions to other
14 facilities who can do the same type of work we perform.

15 Therefore, I question what the definition of
16 repair station is at this point. Will it be such that the
17 FAA will also require those who run under an Inspection
18 Authority Certificate to also come up to standard with the
19 FAA repair station licensing.

20 Certainly, the size of the facility, the
21 locations to the airport are very important. I work with
22 the local airport authority and they have wonderful
23

1 measures in place to identify and communicate safety and
2 security at the airport including the local TSA office,
3 who I work with as well. We agree and feel like that
4 certainly regulations that are in place should certainly
5 be consistent.

6 I also wanted to ask, Would funding be available
7 for corporations to submit applications to help support
8 aircraft security, aircraft repair station security
9 regulations, if in fact they are posed, and how would we
10 go about requesting funding as we have seen other
11 regulations being put in place? We would certainly be
12 glad to hear if there would be anything available like
13 that.

14 Overall, our security program is, as I have
15 explained, we have a large interest in repair station
16 security. We take it very seriously, and we will be very
17 glad to work with the TSA.

18 MS. HAMILTON: Are there any panelists who would
19 like to ask any clarifying questions?

20 (No verbal response.)

21 MS. HAMILTON: Well, I guess we won't need to be
22 having a break at 2:30. I want to thank all of you for

23

1 coming here today. Some excellent comments from all of
2 the speakers. You have really given us a lot to think
3 about and to consider. We will be very interested also in
4 receiving your comments on the record. I would like to
5 remind everybody that you have until 29 March to submit
6 those comments.

7 Although while we will consider all comments
8 received within that timeframe, I would urge those of you
9 who have comments prepared to submit them as soon as
10 possible, so that we can incorporate them into the
11 deliberative process.

12 Thank you very much for coming today. We
13 appreciate it.

14 (Whereupon, at 2:23 p.m., the meeting was
15 concluded.)

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